



# Hon. Robert T. Matsui

## Member of Congress

*Robert T. Matsui*  
Serving California's 5th District

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### MATSUI: NEW CBO REPORT CONFIRMS SOCIAL SECURITY FACES A CHALLENGE, NOT A CRISIS

WASHINGTON, D.C. – Congressman Robert T. Matsui (D-Sacramento) said today a new report released by the Congressional Budget Office (CBO) on the financial state of Social Security finds that the program will remain solvent longer than estimated earlier this year by the Social Security Board of Trustees. According to the CBO report, the long-range deficit in Social Security is only about half as large as projected by the Trustees, and the Social Security Trust Funds will be able to pay full benefits for almost 50 years, until 2052 – a decade longer than previously projected.

“The CBO report confirms what the Trustees indicated earlier this year – that Social Security is not in crisis and the financial challenges facing the system are manageable,” Matsui said. “The CBO’s findings reinforce previous indicators that Social Security is continuing a decade-long trend of stability and even improvement in the long-range health of the system.”

The Administration has tried to portray Social Security as unsustainable to push for privatization of the system. The new CBO report builds on evidence in the Trustees reports that Social Security is affordable and sustainable. Creating private accounts would only exacerbate the system’s financial challenges.

“The fact is that privatizing Social Security would require steep cuts in benefits or an increase in payroll taxes,” Matsui said. “The main privatization plan developed by the President’s Social Security commission would drain \$1.8 trillion out of the Social Security Trust Funds in the next 10 years, which would exhaust the Trust Funds’ reserves decades earlier than under the current system.”

“Those who want to privatize Social Security will try to mislead the public by saying this report says the system will be ‘bankrupt’ by 2019 when in fact there will still be trillions of dollars in reserves to pay benefits until 2052. Even then the system won’t be bankrupt, but will be able to pay the vast majority of benefits.”

“Privatization relies on accounting tricks and gimmicks in order to appear financially sound,” Matsui said. “However, private accounts would create more uncertainty for retirees and destabilize a program that has provided retirement security to seniors for almost 70 years. Instead of trying to mislead the American public into thinking there’s a crisis, the Administration should consider the evidence in the Trustees’ and CBO’s reports and look for ways to strengthen the Social Security, not destroy it through privatization.”

Social Security remains an effective and popular program that provides the most important source of income for retirees. It also provides benefits for the disabled and for those who have lost a spouse or parent. Social Security pays benefits as long as the worker or spouse lived, providing a predictable and steady monthly income. That benefit is protected from inflation and is not subject to fluctuations in the stock market, as they would be under a privatized system.